



HOUSE OF REPRESENTATIVES

SB 1288

internal revenue code conformity

Prime Sponsor: Senator Lesko, LD 21

DP Committee on Ways and Means

DP Caucus and COW

X House Engrossed

OVERVIEW

SB 1288 conforms Arizona tax statutes to the Internal Revenue Code (IRC) as of January 1, 2016.

PROVISIONS

1. Updates the definition of *Internal Revenue Code* to include all IRC provisions that were in effect as of January 1, 2016.
2. Conforms partnership auditing statutes to reflect changes by the Internal Revenue Service.
3. Makes technical and conforming changes.

ADDITIONAL INFORMATION

Each year, the Arizona State Legislature considers amending Arizona Revised Statutes § 43-105 to conform to changes made to the IRC in the prior year by updating the statutory definition of *Internal Revenue Code*. These changes are made to parallel the computation of Arizona income tax and other statutory references to the amended IRC provisions. This conformity is necessary because Arizona, like many states, requires taxpayers to use federally adjusted gross income as the starting point for state income tax assessment.